

House Republican Press Release

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Rep. Frey Backs Measures To Fully Fund Teacher Pensions



HARTFORD – State Rep. John H. Frey, R-Ridgefield, has introduced legislation to fully fund Connecticut teachers’ pensions, an initiative that would save the state hundreds of millions over the long term in unfunded retirement liabilities. Rep. Frey has also signed onto a House Republican petition to constitutionally guarantee the account is fully funded.

If 75 percent of the House and Senate support the Republican resolution for a constitutional amendment, the issue can go before voters in the November elections. The resolution would require the Legislature to make annual deposits in the retirement fund equal to the amount determined by actuaries to cover retirement obligations. House Minority Leader Robert M. Ward, R-North Branford, has also initiated a statewide mailing to current teachers and retirees notifying them of the constitutional resolution effort and urging them to contact lawmakers to support it.

“These measures are long overdue,” said Rep. Frey, who serves as an Assistant Minority Leader. “Connecticut teachers do not pay into the federal social security system and are not eligible for corresponding benefits. They rely solely on the pledge that the state will meet the obligations to fund these pensions in the future—a commitment that the Legislature has refused to keep. There is a very real danger that the state will be forced to pay the pensions of an increasing number of teachers on a cash basis if we continue down on this road. Taxpayers deserve far more fiscal responsibility from their state government.”

Currently, there is an estimated \$5 billion in unfunded liabilities that will accelerate to even staggeringly larger amount if the state continues to fail to meet its obligations. Legislative Democrats joined Republicans on Jan. 6 in proposing to increase payments to the retirement fund by obligating about \$245 million from the current estimated surplus, which represents a short-term response to a looming structural problem. Rating agencies that grade Connecticut’s ability to pay its bills have expressed concerns about addressing long-term solutions with such stop-gap measures, said Rep. Frey.

“We continue to see proposals that amount to band-aid solutions to the problem,” added Rep. Frey. “If the teacher pension account is fully funded, it will save the state many millions of dollars in the long term. If the Legislature only pays lip service again, whenever there is another serious fiscal problem, we can count on the teachers pension fund being one of the first accounts shortchanged. It is time to address the issue and move on.”

Health benefits for retired teachers are determined by state law. Retired or disabled teachers receiving benefits from the Teachers Retirement System can get health insurance coverage from the Teachers Retirement Board if they are eligible for Medicare Part A hospital insurance. Those who are not eligible for Medicare Part A are allowed to participate in the same health insurance plan that their last employing board of education maintains for its active teachers.